

Meeting Date: 09/30/08

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 7C-3

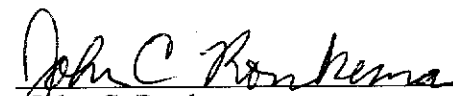


Date: September 18, 2008
To: City Manager for Council Information
From: John C. Roukema, Director of Electric Utility
Subject: Reversion of Agreement And Grant Deed to State of California for Future Substation Property (Hope Substation)

The City of Santa Clara has an existing Agreement And Grant Deed ("Deed") with the State of California ("State"), dated August 6, 1998, for a 2.1 acre site near Lafayette Street and Agnew Road for a future electric substation to meet the energy needs for the surrounding area. The City approved this Deed on August 25, 1998. The Deed included a reversion provision that should the City not commence construction of electric substation improvements and commence substation operations within 120 months from the date of the conveyance, the City would, upon service of written demand by State, deliver to the State a Quitclaim Deed to its right, title and interest in the property. The City has not commenced construction or operation of an electric substation on this property. Furthermore, the City does not have any current plans to construct an electric substation on this site due to the planned construction of a new substation (Palm Substation) in the immediate area.

The State has made inquiries as to the City's future plans for a substation on this site. The City has notified the State that the property will not be built out as an electric substation. If the State requests that the City Quitclaim its rights, title, and interest in the property, the City will request that the State grant the City specific electric utility easements for the future installation of underground electric facilities. These easements would enable the City to provide connection to existing and planned underground electric facilities on adjacent property.

No action is required at this time from Council. However, it is anticipated that the State will request the City to Quitclaim the Deed. At that time the Council will be asked to approve the Quitclaim.


John C. Roukema
Director of Electric Utility

APPROVED:

Jennifer Sparacino
City Manager